

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 588 - HB 1267

April 26, 2021

**SUMMARY OF ORIGINAL BILL:** Makes various changes to the Tennessee Sports Gaming Act (Act) to require the Board of Directors (Board) of the Tennessee Education Lottery Corporation (TELC) to hold joint meetings with regard to promulgation of rules with the TELC Sports Wagering Advisory Council (Council). Grants the Council the same authority in voting on rulemaking as the Board. Requires the Board to provide administrative assistance with respect to its duties in the Act at the request of the Council.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (007568):** Deletes all language after the enacting clause. Transfers the duties and powers of the Tennessee Education Lottery Corporation Sports Wagering Advisory Council to the newly created Sports Wagering Advisory Council. Requires the Council to hire an executive director and other staff, as necessary, to direct and oversee the operations and management of sports gaming. Authorizes virtual meetings in emergency circumstances.

The proposed legislation takes effect upon becoming law for the purposes of carrying out any administrative duties necessary to effectuate the provisions and intent of this proposed legislation. For all other purposes, this proposed legislation takes effect on January 1, 2022.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Other Fiscal Impact – Amounts of \$4,700,000 in recurring state revenue and \$1,750,000 in recurring state expenditures will shift from the Tennessee Education Lottery Corporation Sports Wagering Advisory Council, as currently structured, to the Sports Wagering Advisory Council, as established by the proposed legislation. Any impact on the Tennessee Promise Scholarship Endowment Fund is estimated to be not significant.**

Assumptions for the bill as amended:

- It is assumed that the shift of duties and powers to the newly created Council will not significantly impact state expenditures and revenues.
- Pursuant to Tenn. Code Ann. § 4-51-317(f) and (g), licensing fee revenue must be used to pay the operational and administrative expenses associated with the Act. The remainder of such funding is to be deposited into the Tennessee Promise Scholarship Endowment Fund.
- Based on information provided by the TELC, the total recurring fee collections are estimated to be approximately \$4,700,000; the annualized operating and administrative expenses to implement and oversee sports gaming in this state are estimated to be approximately \$1,750,000; expenditures associated solely with the current Council are estimated to be approximately \$17,000 in travel and per diem expenses.
- It is assumed that all expenditures and revenues associated with the current format of the current Council will be transferred to the newly created Council as laid out in the proposed legislation. The current fee structure is sufficient to offset any operational and administrative expenses of the Council.
- Any impact on the Tennessee Promise Scholarship Endowment Fund is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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